

Overview of Agency Operations

Key 2005 accomplishments are summarized below.

A national leader in cost-effectiveness

DRS once again took part in an independent study of public pension administrators, conducted by Cost Effectiveness Management, Inc.

For the second year in a row, the analysis showed our administrative cost (actual cost per member) to be 31 percent lower than the cost that would be expected, given the complexity of the plans we administer and the level of service we provide. The study measures the agency's operations against other large pension plans throughout the United States and abroad.

New Web site "a hit"

In January, we launched a new Web site, designed to make it easier for our customers to quickly find information specific to their plans. Among the popular new features – a search function; "quick clicks" to the DRS Web pages requested most often; and a "hot topics" section for timely news.

The site is a key source of information that includes member handbooks, forms, publications and helpful links to legislative bills. Our Web site averaged more than 70,000 hits a month in 2005.

Benefit estimator eases planning ahead

Mid-year, we launched a new online service that was based on suggestions we received from members. The service enables members to use actual account data, including service credit and earliest retirement date, to estimate their benefits at retirement.

The online estimator is so flexible – a member can also input other numbers to calculate the impact salary and service credit changes, as well as different survivor benefit options, would have on a retirement benefit.

Service with a smile, no waiting

Throughout the year, our staff receives many notes and calls, thanking them for friendly and knowledgeable service. We also make providing that service promptly a priority.

DRS staff takes pride in providing fast and friendly service. Over the year, DRS staff answered 92 percent of more than 169,000 phone calls within 30 seconds and retirement specialists met with more than 3,300 members within three minutes of their arrival at our offices. In addition, DRS staff responded to 92 percent of nearly 26,000 pieces of routine correspondence within five days.

2005 Washington State Legislative Actions

The 2005 Washington State Legislature enacted the following significant changes in retirement law.

Purchase of additional service credit in PERS Plans 2 and 3 or SERS Plans 2 and 3

This bill allows a member who applies for early retirement in PERS or SERS Plan 2 or 3 to purchase up to five years of additional service credit at the time of retirement. The cost of the service credit is actuarially equivalent to the resulting increase in the member's benefit. The purchase of additional service credit cannot be used to qualify a member for early retirement.

Public Safety Employees' Retirement System (PSERS) Plan 2

This bill created a new retirement system, effective in 2006, for public safety employees in specific job classes. Positions such as corrections, custody and probation officers, park rangers and liquor enforcement officers are eligible for membership in the Public Safety Employees' Retirement System (PSERS).

PSERS will provide a retirement benefit at age 65 with at least 5 years of service credit or at age 60 with at least 10 years of PSERS service credit. A benefit reduced for early retirement will also be an option at age 53 with at least 20 years of service credit.

Minimum monthly benefit for PERS Plan 1 and TRS Plan 1 Retirees

This bill establishes a minimum benefit for PERS Plan 1 and TRS Plan 1 members who have at least 25 years of service credit and have been retired at least 20 years.

The legislation identifies \$1,000 as the minimum benefit, however, any adjustments made at the time of retirement, such as a survivor benefit or annuity withdrawal, reduce that amount.

Asset Smoothing Corridor

This bill establishes a 30% asset-smoothing corridor for actuarial valuations used in the funding of the state retirement systems.

WSPRS and LEOFF Plan 2 Death Benefits

Two separate bills establish that beneficiaries of a WSPRS or LEOFF Plan 2 member killed in the course of employment will receive benefits without actuarial reduction for early retirement. The member must have had at least 10 years of service.

LEOFF Plan 2 Disability Benefits

This bill entitles qualifying LEOFF Plan 2 members, who leave employment because of a duty-related disability, to receive additional benefits and/or exempt their benefits from federal income tax.

